

## CHAPTER NO. 448

### SENATE BILL NO. 1831

By Herron

Substituted for: House Bill No. 963

**By Fitzhugh, Hawk, Bunch, Shaw, Maddox, Sargent, Gresham, Hensley, Harry Brooks, Davidson, Curtiss, McDonald, Niceley, Roach, Fowlkes, Coleman, DuBois, Bone, Eldridge, Campfield, Swafford, Hill, Davis**

AN ACT to amend Tennessee Code Annotated, Title 6 and Section 67-6-103, relative to reallocating state and local sales tax revenue collected from activities conducted at or near a courthouse public square to be used for maintenance, improvement and revitalization of the public square.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 6, is amended by adding Sections 2 through 7 of this act as a new chapter thereto.

SECTION 2. This act shall be known and may be cited as the "Courthouse Square Revitalization Pilot Project Act of 2005".

SECTION 3. As used in this chapter, unless the context otherwise requires:

(1) "Courthouse square revitalization zone" or "revitalization zone" means an area in a municipality officially designated by ordinance or resolution of such municipality as the courthouse square revitalization zone, in which the county's courthouse is located, and which is approved and certified by the Department of Finance and Administration as meeting the requirements of this chapter.

(2) "Municipality" means any incorporated town or city that is the county seat of a county having a population of not more than one hundred twenty thousand (120,000), according to the 1990 federal census or any subsequent federal census.

SECTION 4. (a) The governing body of a municipality may designate the boundaries of a courthouse square revitalization zone by adoption of an ordinance or resolution.

(b) Sales and use tax revenue shall be apportioned and distributed to, in accordance with the provisions of this chapter, a municipality containing a revitalization zone in an amount equal to the amount of state and local tax revenue derived under Title 67, Chapter 6, from sales or use of goods, products and services within the revitalization zone; provided, that the allocations, apportionments and payments set forth in this subsection shall not apply to state or local tax revenue derived from any area added to a courthouse square revitalization zone by amendment of the boundaries of the revitalization zone by the municipality after the approval of the municipality's application by the Department of Finance and Administration, unless the department has determined in accordance with the provisions of this chapter that the area added to the revitalization zone is appropriate. The amount so distributed to the municipality shall be used exclusively for maintaining and improving the viability of the courthouse square through any means deemed appropriate by the governing body of the municipality, including, but not limited to, making loans or grants to the county governing body or any other public or private person, entity or association for use on infrastructure, marketing and other purposes related to revitalization.

SECTION 5. (a) To be entitled to receive the allocations of state and local sales and use tax revenue as provided in this chapter, a municipality must first file with the Department of Finance and Administration an application seeking approval and certification of the proposed courthouse square revitalization zone. The department shall review the application to confirm that the courthouse square revitalization zone meets the size and form requirements of this chapter. A revitalization zone may embrace two (2) or more separate parcels of real property and such property may be publicly or privately owned. Each revitalization zone shall be of such size and form as to include all properties that, in the judgment of the municipality and the Department of Finance and Administration, constitute an integral part of the courthouse square. If the department determines that the boundaries of the proposed courthouse square revitalization zone exceed the area that is reasonably deemed to be integral to the courthouse square, the department may adjust or reduce the boundaries of the proposed area. In reviewing the application, the Department of Finance and Administration shall consult with the Department of Revenue and the Department of Economic and Community Development.

(b) The application shall include, but not be limited to, the following information:

(1) The name of the proposed courthouse square revitalization zone, which shall include the name of the municipality in which the revitalization zone is to be located, together with the words, "Courthouse Square Revitalization Zone";

(2) A description of the revitalization zone by metes and bounds;

(3) A map showing the parcels of real property included in the revitalization zone and the present use of such parcels; and

(4) Such other information as may be reasonably requested by the Department of Finance and Administration.

The Department of Finance and Administration shall set an application deadline.

(c) Upon expiration of the application deadline, the Commissioner of Finance and Administration in consultation with the Commissioner of Revenue and the comptroller of the treasury shall review and evaluate all completed applications and select one (1) project from each grand division of the state.

SECTION 6. After selection of the three (3) projects as provided in Section 5(c) of this act, the apportionment and payment of tax revenue as provided in this chapter shall be made by the Department of Revenue to the municipality within ninety (90) days of the end of each fiscal year for which the municipality is entitled to receive an allocation and payment of such tax revenue.

SECTION 7. The Department of Revenue and the Department of Finance and Administration are authorized to adopt rules and regulations in accordance with the provisions of the Uniform Administrative Procedures Act, compiled in title 4, chapter 5, to implement the provisions of this act.

SECTION 8. Tennessee Code Annotated, Section 67-6-103, is amended by adding the following new subsection:

(h) Notwithstanding the provisions of this section to the contrary, revenue derived from taxes imposed by this chapter, except revenue allocated pursuant to subdivision (c)(2), shall be earmarked and allocated in accordance with the provisions of this act.

SECTION 9. For purposes of promulgating rules, this act shall take effect upon becoming a law, the public welfare requiring it. For all other purposes, this act shall take effect July 1, 2005, the public welfare requiring it, and shall be repealed on June 30, 2015.

**PASSED: May 28, 2005**

  
JOHN S. WILDER  
SPEAKER OF THE SENATE

  
JIMMY NAIFEH, SPEAKER  
HOUSE OF REPRESENTATIVES

**APPROVED this 17<sup>th</sup> day of June 2005**

  
PHIL BREDESEN, GOVERNOR